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Copy No. 39 for Mr. Lay

MEMORANDUM

For Consideration by the
State Department Intelligence Advisory Board

Meeting scheduled for 10 a.m., December 19, 1945 in Room 446-S

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December 17, 1945

MEMORANDUM for the Intelligence Advisory Board

SUBJECT: Proposed Plan for Research and Intelligence Offices

Introduction

Pursuant to a directive of October 1, 1945, from the Under Secretary, an Intelligence Advisory Board was established to advise the Special Assistant for Research and Intelligence (SA-McC) as to (1) which parts of the former OSS transferred to the Department of State (the Interim Research and Intelligence Service, hereafter referred to as IRIS) should be retained beyond January 1, 1946, and (2) which organizations within the present structure of the Department of State engaging in intelligence activities should be transferred to the new intelligence offices prior to January 1, 1946. The Special Assistant was further directed to consolidate the IRIS units to be retained and the other units of the Department of State participating in intelligence activities so that, by January 1, 1946, all intelligence activities within the Department would be under the jurisdiction of the Special Assistant for Research and Intelligence.

The Advisory Board met on October 19, 1945. After a general discussion of the problem, it was agreed that the Board could proceed most effectively by consultations

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between individual members and representatives of the SA-McC staff. Such consultations have been held from time to time during the past two months, but the preparation of detailed recommendations has been delayed because the SA-McC staff has been engaged in the preparation of a 1946 Supplemental Budget (necessitated by the Congressional rescission of \$2,000,000 of the former OSS budget, needed to carry IRIS to June 30, 1946, since restored) and of the 1947 Budget, as well as in solving the numerous administrative problems created by the transfer of the former OSS units to the Department. At the suggestion of General Nelson, of Mr. Russell's staff, a Committee was formed to prepare an outline of the planned intelligence organization for consideration by the Advisory Board, and later to prepare the necessary Departmental Orders for submission to Mr. Russell's office. The membership of that committee is:

Sherman Kent (IRIS) Chairman
George V. Allen (NEA) representing the
geographic offices
Amory H. Bradford (SA-McC)
Kermit Gordon (CP) representing the
economic offices
John F. Killea (SA-McC)
Just Lunning (IRIS)
Stanley A. McKay (MN) representing Departmental
David H. Scull (MN) Administration

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This memorandum constitutes the recommendation of that Committee to the Intelligence Advisory Board. The first three sections which follow have been prepared in a form which is believed to be appropriate, after consideration and revision by the Board, for the recommendations of the Board to Mr. McCormack. The following subjects are covered:

- I. General considerations applicable to the organization of intelligence research in the Department.
- II. Summary of proposed transfers of existing units of the Department and of IRIS.
- III. Outline of planned research and intelligence organizations.

This memorandum presents a plan for a unified organization responsible for the intelligence functions of the Department because:

1. The directive of October 1, 1945 from the Under Secretary, pursuant to which the Intelligence Advisory Board was established, requires the consolidation of IRIS units and other units within the Department engaging in intelligence activities, so that, by January 1, 1946, all intelligence activities within the Department will be under the jurisdiction of the Special Assistant for Research and Intelligence.

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2. After October 1, in connection with the preparation of a 1945-46 budget for presentation to the House Appropriations Committee, the question of distributing the intelligence functions among the policy and operating offices was raised and was discussed with the Under Secretary and the Secretary. The Under Secretary decided that the intelligence functions should not be dispersed and the Secretary approved the plan for presentation of the Budget on the basis of a unified intelligence organization without modifying that decision.

The advantages of a centralized research organization are outlined in Part I, below.

Mr. Allen, on behalf of the Geographical Offices, has proposed an alternative plan, set forth below in Part IV, providing for (1) decentralizing intelligence research on political problems by establishing a research Division in each Geographical Office, and (2) retaining in a central Office of Research Coordination the functions of research coordination and of specialized research on economic or other technical subjects. While that plan is inconsistent with the directive under which the Intelligence Advisory Board was established and with the Secretary's decision referred to above, it is submitted to the Board for such consideration as the Board may deem appropriate.

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It should be emphasized that there is no disagreement between the members of this Committee as to the basic objective of any form of organization for intelligence research in the Department. The objective of any plan must be the successful mobilization of all the intelligence resources of the Department to meet the needs of its officers responsible for policy formulation and for operating decisions. The difference of opinion as to the desirability of a centralized intelligence organization arises only from different views as to the best administrative machinery for attaining the basic objective.

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Proposed routing symbols for the research
and intelligence offices.

| | |
|--------|--|
| SA-MOC | Special Assistant for Research and Intelligence |
| SES | Special Estimates Staff |
| NIA | National Intelligence Authority Secretariat |
| ORI | Office of Research and Intelligence |
| ENI | Division of Europe, Near East and Africa Intelligence |
| USI | Division of USSR Intelligence |
| BCI | Division of British Commonwealth Intelligence |
| FEI | Division of Far East Intelligence |
| ARI | Division of American Republics Intelligence |
| IRI | Division of Interregional Intelligence |
| MI | Division of Map Intelligence and Cartography |
| OCD | Office of Intelligence Collection and Dissemination |
| IAD | Division of Intelligence Acquisition and Distribution |
| REF | Intelligence Reference Division |
| BI | Division of Biographic Intelligence |
| PN | Presentation Division |
| OD | Outpost Division |

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I. General Considerations Applicable to the Organization of Intelligence Research in the Department

a. Scope of Intelligence in the Department.

The proposed Offices of Research and Intelligence (ORI) and Intelligence Collection and Dissemination (OCD) will, as outlined in detail below, have as a basis both those parts of the former OSS that were transferred to the Department of State (IRIS) and certain units of the Department previously engaged in intelligence activities. They will not deal with the United States or its possessions but will cover the conditions, activities and policies of foreign states, dominions, colonies and dependent areas and their peoples, as well as their physical characteristics. The operations of the two offices will fall into the general area of the social sciences -- notably politics, sociology, economics and geography -- and their staffs will be constructed accordingly.

This type of operation in the technical language of intelligence work is termed positive intelligence, but it should be noted that the ORI and OCD will not be responsible for all aspects of positive intelligence. Notably they will assume no responsibility for research on foreign armed establishments or in foreign science and technology. The term positive intelligence is generally used in distinction to

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counter or security intelligence, certain aspects of which will be the function of a third office under SA-McC, the Office of Security (OS).

The combined function of the two positive intelligence offices, ORI and OCD should be the provision of evaluated positive information on foreign countries in aid of the formulation and implementation of foreign policy in the Department of State. Such information should be provided at the request of officers of the Department or in anticipation of their needs in two aspects, (a) factual data most appropriately presented for the purpose to be served (memorandum, table, map, chart or photograph), (b) reports and studies based upon evaluated facts and dealing with conditions, situations, issues and events which prevail or occur in foreign areas.

It cannot be too firmly stated that whatever intelligence functions are performed by the two offices will be performed overtly. There is no thought of either office entering the field of espionage and working clandestinely through undercover agents.

b. Division of responsibility between intelligence and operations.

Complete and precise delineation of the boundary between intelligence and operations is no more possible than

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desirable at this moment. There is a considerable area of almost certain overlapping of responsibility between the intelligence and operating offices, which time, good will and experience will narrow but perhaps never fully eliminate.

Before attempting further clarification of this area let it be said that there can be no conflict between the pure extremes of intelligence and operations: the operating officer should no more take four weeks away from his desk for a job of intensive research than should the intelligence officer assume the responsibilities of policy and detailed implementation of policy.

The area in which there may be want of agreement is the area in which both have an important interest -- i.e., the area of information. The question will be to decide where the informational responsibilities of the intelligence offices stop and where those of the operating offices begin. At present only the broadest sort of allocation of responsibility can be made. The intelligence offices should have the predominant responsibility for basic research upon the institutions of foreign countries, upon situations and emergent political and economic issues in foreign countries, and upon the capabilities of foreign countries. The operating offices should have equal responsibility for the sort of spot information which is in the files or minds of operating officers

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and which is necessary for the acquittal of the hour's business. How responsibility should be fixed for a multitude of intelligence duties which are to be found between these fairly clear bands of function, such as periodic analysis and reporting on current foreign developments, digesting information cables and despatches, reference services, etc., is a matter which must be worked out in experience. For the immediate future, both intelligence and operations should aim to put their respective limited informational resources to optimum practical use.

There is no intention, except in the cases specifically mentioned below, to absorb into the central intelligence organization personnel of operating divisions who are currently engaged, part or full time, in research activities. It is anticipated, however, that some such personnel will be so transferred in the future, when, by mutual agreement of the intelligence staff and the appropriate operating officers, it is decided that such transfers, on a selective basis, would improve the quality of the research services available to the operating division concerned.

c. Integration of intelligence with operations.

(1) The research process

The production of evaluated information for the policy and operating officers of the Department must be done through

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the process of research, a process which may well be discussed in its component stages:

- (1) Setting and analyzing the problem.
- (2) Collecting information relevant to the problem.
- (3) Evaluating the collected information.
- (4) Applying the evaluated facts to the problem

and organizing them into a coherent and meaningful pattern, in a form appropriate to the use to be served (report, memorandum, table, chart, map, etc.)

The problem is to contrive an organization within the Department of State which will make the research process easy and smooth, and its end product complete, accurate and relevant. This problem is something more than the mere drafting of a workable organization chart; it involves a series of considerations and expectations -- some of them general and some of them specifically applicable to the component stages of the research process noted above. They will be discussed in this order.

(2) General considerations

(a) Advantages of a unified intelligence organization.

The research and intelligence resources of the Department can best be mobilized to meet the needs of the Geographical, Political, Economic, and Informational offices by uniting their *intelligence resources* under the substantive and administrative control of the Special

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Assistant for Research and Intelligence, and by providing adequate machinery for integrating the work of the unified intelligence organization with that of the offices responsible for policy and operations. The advantages of such a unified intelligence organization are:

1. Uniformly high research standards can be established and maintained. Standards of performance are best maintained when there is a continuing comparison of one unit's work to another's; ~~and when the work of all units is judged against an abstract norm of quality.~~

Such systematic criticism would be the chief function of the Director of the proposed Office of Research and Intelligence, ^{his immediate staff, f} ~~and he is being provided with staff adequate for the task.~~

^{Further, and of at least equal importance,}
 2. ~~The centralization of research in offices which have the entire responsibility for the research and intelligence field, and which have no responsibility for operating decisions, makes it possible to attain an independence and integrity of judgment which would not be possible if research were the responsibility of the operating offices.~~

2. A central intelligence organization can afford to provide specialists on particular subjects needed by a variety of divisions of the Department, no one of which would be able to justify their full time employment in its

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own research division. ~~Integrating the work of each specialist with that of other research units requires close supervision of the work of both, which can be obtained only if they are subject to the same control.~~

4. Duplication of work can be avoided. A unified staff under central control not only guarantees that the specialist will work on matters squarely within his competence, but also that there is no more than a single specialist or single group of specialists for each aspect of intelligence. ~~For example, ARA's interest in Soviet activities in Latin America can be handled in one assignment by the most expert analyst or team of analysts; it will not be handled in two overlapping assignments carried on by two separate staffs.~~

5. Centralization of staff makes a significant contribution to the maintenance of perspective and objectivity. It acts as a brake on the specialist's inevitable tendency to overrate the importance of his own subject. ~~It removes him far enough from the area of policy so that past policy decision is not a constant influence on his present point of view. At the same time, as pointed out below, it does not prevent him from the sort of relationship with policy and operations which are required to give point to his work.~~

6. A single staff makes for a considerable avoidance

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of duplication of files. Not only is it possible to establish and maintain an efficient central group of what might be called library services -- indexed collections of documents, maps, books and photographs -- but also files of a single unit may serve other units working in cognate fields. ~~The farther apart the component units are scattered the less the utility of central libraries and the less the likelihood of multiple use of individual unit files.~~

Just "A"

7. ~~In addition,~~ A single staff can make more flexible use of its clerical and professional personnel than a number of small staffs. Often in the experience of wartime intelligence agencies, almost insuperable deadlines on top priority matters were met by shifting all transferable talent to the job at hand. The barriers which a dispersal of manpower offer to such procedures are manifest.

8. The Special Assistant for Research and Intelligence, in carrying out his Department responsibilities on the Secretary's Staff Committee, and his interdepartmental responsibilities as Executive Secretary of the National Intelligence Authority, must be in a position to call upon all of the intelligence resources of the Department with speed and a minimum of administrative friction. Only a unified organization under his jurisdiction will make that possible.

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The potential disadvantage of a unified intelligence organization is that its work may not be sufficiently adapted to the needs of the operating divisions. It will be the mutual responsibility of the intelligence staff and of the operating staff to see that their work is properly integrated. Each will have the power, under the proposed plan for a unified intelligence organization, to attain that objective.

The alternative proposal set forth in Part IV for decentralizing research by establishing a research Division in each Geographical Office is one of several which might be made. It should be noted that the Political, Economic, and Informational offices could make similar claims with equal validity. The dispersal of research power which would follow the recognition of such claims would emphasize the disadvantages here raised with respect to the actual proposal at issue. These disadvantages are:

1. It would be difficult, if not impossible, through any coordinating machinery to impose uniformly high standards upon research Divisions responsible to a number of different Offices throughout the Department.

2. There would be a strong possibility that research subordinated to Offices whose primary responsibility was policy determination would tend to be circumscribed by previously adopted policy decisions and

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fail to produce reports which might present information indicating that existing policy should be revised.

3. There would be a tendency for each Office to request information from its own research staff not because its answer would necessarily be definitive, but because it was physically close at hand. Thus a staff assigned to one Geographical office would be subject to requests on matters which are vital to the business of that office but which, at the same time, lie beyond the staff's professional competence, and would either have to call upon the research staff of another office or to risk an uninformed answer. Even the most elaborate sort of coordinating mechanism between dispersed research divisions would have difficulty coping with this situation.

4. The necessary integration between research needs and the program for collecting and maintaining basic information would be difficult to achieve, since there would be no direct link between the individual research divisions and those responsible for the collection and reference functions.

5. Whereas a single large staff cannot be engulfed by operations, a number of smaller staffs is more vulnerable, and as has already been demonstrated

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in the Department, the long run effect of breaking up a research staff for a hoped for increase of service to its consumers has resulted in its disappearance.

(b) No parallel units should be established. No other units should be established in the State Department whose functions parallel or overlap those which are regarded as the responsibility of the intelligence organization. If the volume of work which is required of the organization is in excess of its capacities and if additional research power is mandatory to carry the load, funds for this added staff should be allocated to the intelligence organization rather than used to create and support small research units in the operating offices. The principle here stated should not of course be construed as hindering an operating unit from employing staff to maintain information files and to handle the kind of spot intelligence without which it could not function.

(c) Relations with operating offices. The intelligence organization has a legitimate call upon the full intelligence resources in the Department and upon the operating officers of the Department for information as to policy negotiation and planning needed for the guidance of research. This does not mean that every member of the intelligence staff must be conversant with the most delicate

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issues of policy nor that every member of the staff should have access to every highly classified document in the Department. It does mean however that the staff will not be asked to turn out reports which are defective or worthless because (1) the nature of the problem to be attacked was not fully or candidly stated; (2) information relevant to the problem and vital to its solution was withheld on the grounds of security; or (3) new and essential information from the field was unduly difficult to procure. This last general consideration is basic to the specific considerations which follow.

(3) Considerations specifically applicable to the component stages of research.

(a) Setting and analyzing the problem. Before a research and intelligence staff can begin to function effectively it must know with a high degree of precision the nature of the problem to be attacked and the policy or operational use the end product is expected to serve. Furthermore, since research generally demands far more time than is commonly acknowledged, the earlier work can be begun the more satisfactory the results. The best research and intelligence will be done when key members of the staff are fully informed about issues which are still in the embryonic stage. With such knowledge they can frequently anticipate the certain future

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demand and make good on otherwise impossible deadlines. In order to achieve applicability and timeliness of the end product it is a matter of high importance that the relationship between intelligence and operations be close and systematic. That opposite numbers should maintain regular contact is not enough. It is suggested that key members of the intelligence staff serve as observers or technical advisers on departmental and inter-departmental committees where their attendance will put them in intimate touch with the main lines of the Department's business. Personnel from the operating units should serve on committees of the intelligence offices such as a committee of Division Chiefs which would have supervision over the work program and the assignment of priorities and deadlines. Through such arrangements the efforts of intelligence may be directed effectively and the organization of the intelligence offices shaped to perform with maximum efficiency and harmony.

(b) Collecting information relevant to the problem.

The primary source of fresh information from the field must be the reporting activities of foreign service officers, auxiliaries, and attachés in the foreign missions. The professional interest of the intelligence offices in the substance and quality of such reporting is obvious; without access to the reports and without some hand in shaping them, the intelligence operation could not function. Both the operating and

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intelligence offices of the Department in Washington are equally concerned that reporting standards be continuously improved in quality, applicability, and timeliness. It is suggested that the apparatus of the intelligence offices will through evaluation and criticism contribute materially to this end.

Another large amount of the necessary information will be acquired through the efforts of the intelligence offices themselves. They will procure foreign publications and maps, the reports and studies of other federal agencies; they will enlist the information services of private or non-federal public institutions (universities, museums, libraries, etc.). Lastly, they will maintain a small staff in the field whose function will be the completion of home research projects, or the supplementing of home sources of information. Members of such a staff will have a high degree of professional competence and will serve abroad for limited periods and work on definite substantive assignments. In every instance they will operate under rules established by the chief of the mission to which they will be temporarily attached.

A last installment of field information the intelligence offices will procure through the field representatives of the armed forces and other government departments. In the present circumstance of several control commissions under the

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military, this source of general political and economic information is more important than it is likely to be in the future. But whatever the later importance appropriate liaison in Washington will be continued.

(c) Evaluation of collected information. The establishment of the relative validity or invalidity of information is (1) a matter of the probable reliability of the source and (2) a matter of how well the information stacks up against other of tested accuracy. The intelligence staff will assume primary responsibility for evaluations, but should expect on many occasions to be able to call upon people in all parts of the State Department with field and operational experience.

The evaluation of information is ordinarily only one part of the total research function. However, there may be times when evaluated information as such are essential to operations, and in these cases the intelligence offices should disseminate this product on demand.

(d) Applying the evaluated information to the problem and organizing it into a coherent and meaningful pattern. In discharging this function, the intelligence offices must chart a careful course between an excess of timidity in bringing analytical talents to bear, on the one hand, and the infringement of policy-making prerogatives, on the other. If research

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reports are to meet the needs of operating officers, intelligence personnel must not hesitate to separate the relevant from the irrelevant; to point up inconsistencies and attempt to reconcile them; to seek for a pattern which emerges from the raw material and to integrate the facts in the light of that pattern; and to perform such other analytical functions as properly belong to the final stages of research.

However, the intelligence staff should understand clearly that the task of drawing policy conclusions from research studies is the prerogative of the operating offices and divisions. Harmonious relationships between the intelligence staff and the operating divisions cannot persist if operating officers find reason to believe that the intelligence staff has adopted its own policy line, and is slanting the facts to fit its preconceptions. Prudence and restraint on the part of the intelligence staff are nowhere more important to the success of the intelligence project than in this connection.

d. The internal organization of the intelligence offices.
In working out the details of the planned intelligence organization, consideration has been given to the following primary factors:

(1) The intelligence needs of State Department operations.

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(2) Ease in handling sources of information.

(3) The previous organization of the IRIS and other Departmental units to be transferred.

The principal problems raised by each of these factors are:

(1) The intelligence needs of State Department operations: Consideration must be given not only to the various types of research study which will be required, but also to the organizational framework through which the Department operates, since close coordination of research with operations will require adaptation to that framework. The problem is a difficult one, since:

(a) The Department is organized on an area basis to handle political problems, except for the Office of Special Political Affairs, which handles certain political problems on a world-wide basis.

(b) The Department is organized on a functional basis to handle economic problems, which in some cases are further subdivided according to area.

(c) Information problems are handled both functionally and according to area.

(d) In handling many of the more important problems, coordination of the Divisions involved is obtained through committees, which cross both regional and functional lines.

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(2) Ease in handling sources of information:

Consideration has been given to improving efficiency by attempting to group together:

(a) Acquisition, reference and reproduction functions needed by all research groups.

(b) Those research groups using documents written in the same language.

(c) Those research groups using the same specialized files of documents, maps, card indexes, etc.

(d) Those research groups working with the same series of incoming reports.

(3) The previous organization of IRIS and other Departmental units to be transferred: Preservation, to the extent feasible, of previous organizational entities is desirable, since every change in existing personal relationships will temporarily reduce efficiency and add to the confusion and uncertainty attendant on setting up a new organization.

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On the basis of the factors outlined above, the following principles of organization have been followed;

(1) In general, the basic area breakdown used in the organization of the Research and Analysis Branch of IRIS has been continued; in particular cases, however, area boundaries have been modified to conform to those of the corresponding State Department Geographic Divisions.

(2) Political and economic problems which cut across several regional Divisions, and which are handled separately by operating Divisions in A-C and SPA, have been allocated to a Division of Interregional Intelligence, made up of specialists who will handle subjects such as International Organization, International Security, Dependent Areas, Petroleum, Commodities, Labor, Finance, Aviation and Telecommunications. The basic research on those subjects will be done in the regional Divisions, and coordinated by the specialists, who will also be responsible for integrating the Department's research with that of other government Departments in the same field, through the interdepartmental intelligence machinery.

(3) The responsibility for procurement, maintenance of reference collections, presentation and distribution

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have, where centralization was possible, been separated from the regional and interregional research Divisions and assigned to separate Divisions. Those Divisions have all been included in the proposed Office of Intelligence Collection and Dissemination with the exception of the Division of Map Intelligence and Cartography, which was included in the Office of Research and Intelligence because it will be so constantly engaged in current research projects with the Divisions of that Office.

(4) The functions of security and counter-intelligence have been assigned to the Office of Security.

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II. Summary of Proposed Transfers of Existing Units of the Department and of IRIS

The plan outlined in part III below proposes the following transfers of existing State Department and IRIS units to the new Intelligence Offices:

a. State Department Units

| Division of Geography & Cartography: | <u>Present Personnel</u> | <u>Transfer To</u> |
|---|--------------------------|--|
| Office of the Chief | 5 | Secretariat of National Intelligence Authority |
| Research Branch | 35 | Division of Interregional Intelligence Studies |
| Procurement and Distribution Unit | 8 | Intelligence Reference Division |
| Cartographic Branch and Map Library | 35 | Division of Map Intelligence & Cartography |
| Division of Research & Publications: | | |
| Foreign Publications Unit | 3 | Intelligence Acquisition and Distribution Division |
| Division of Economic Security Controls: | | |
| Personnel Intelligence Section | 33 | Division of Biographic Intelligence |

In addition, the security and counter-intelligence operations performed in the Division of Foreign Activity Correlation and elsewhere in the Department should be transferred to the Office of Security without delay. In view of the special nature of those operations, which do not involve IRIS or any of the problems of positive intelligence discussed above, it is suggested that this

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Board appoint a subcommittee to recommend the appropriate transfers, composed of Mr. Lyon, Mr. McKay, Mr. Finan, and representatives of the Geographical Offices and of the Economic Offices.

All of the above transfers have been worked out in agreement with the Offices and Divisions concerned. In addition, the members of the Committee which prepared this memorandum (with the exception of Mr. Allen) believe that the Analysis Section of the Division of American Republics Analysis and Liaison (RL) should be transferred to the proposed Division of American Republics Intelligence, since they are of the opinion that the combination, in one Division in the proposed Office of Research and Intelligence, of responsibility for all political, economic and geographic intelligence concerning the American Republics will provide the best research service for all the geographic, economic, political and informational Offices and Divisions of the Department. It has not been possible to reach agreement as to that transfer with ARA, which has participated with the other Geographical Offices in proposing an alternative plan, set forth in part IV below, providing for decentralizing intelligence research on political problems by establishing a Research Division in each Geographical Office.

There are research units of other operating Divisions of the Department which at some time should be considered for possible transfers to the Office of Research and Intelligence.

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It is believed to be appropriate, in view of the limited time available, to postpone the consideration of such transfers until after the Office of Research and Intelligence has been established.

| <u>b. IRIS Units</u> | <u>Present Personnel</u> | <u>Transfer to</u> |
|---|--------------------------|---|
| Research and Analysis Branch, Office of the Chief | 34 | Director's Office, ORI |
| British Empire Unit | 5 | Division of British Commonwealth Intelligence |
| Europe-Africa Division | 95 | Division of Europe, Near East and Africa Intelligence |
| | 9 | Division of Interregional Intelligence Studies |
| USSR Division | 55 | Division of USSR Intelligence |
| Far East Division | 120 | Division of Far East Intelligence |
| Latin American Division | 39 | Division of American Republics Intelligence |
| Map Division | 71 | Division of Map Intelligence and Cartography |
| Central Information Division: | 3 | Office of Collection and Dissemination |
| Office of the Chief | 11 | Intelligence Reference Division |
| Receiving and Allocation Unit | 10 | Division of Intelligence Acquisition and Distribution |
| Distribution Unit | 8 | Division of Intelligence Acquisition and Distribution |

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It is believed to be appropriate, in view of the limited time available, to postpone the consideration of such transfers until after the Office of Research and Intelligence has been established.

| <u>b. IRIS Units</u> | <u>Present Personnel</u> | <u>Transfer to</u> |
|---|--------------------------|---|
| Research and Analysis Branch, Office of the Chief | 34 | Director's Office, ORI |
| British Empire Unit | 5 | Division of British Commonwealth Intelligence |
| Europe-Africa Division | 95 | Division of Europe, Near East and Africa Intelligence |
| | 9 | Division of Interregional Intelligence Studies |
| USSR Division | 55 | Division of USSR Intelligence |
| Far East Division | 120 | Division of Far East Intelligence |
| Latin American Division | 39 | Division of American Republics Intelligence |
| Map Division | 71 | Division of Map Intelligence and Cartography |
| Central Information Division: | 3 | Office of Collection and Dissemination |
| Office of the Chief | 11 | Intelligence Reference Division |
| Receiving and Allocation Unit | 10 | Division of Intelligence Acquisition and Distribution |
| Distribution Unit | 8 | Division of Intelligence Acquisition and Distribution |

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in the United States. Since that was not regarded as an appropriate activity for the research and intelligence offices of the Department, the Foreign Nationalities Branch was liquidated at the end of October. The total personnel of the other IRIS units has been substantially reduced since IRIS was established. Some further readjustment of present personnel is contemplated after the new intelligence offices are established.

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III. DETAILS OF PLANNED ORGANIZATION

A. Special Assistant for Research and Intelligence

Symbol: SA-McC

1. Departmental Organization

The position of the Special Assistant in charge of Research and Intelligence, ranking with the Assistant Secretaries, was created by Departmental Order No. 1351 of October 26, 1945, will have jurisdiction over three offices: the Office of Research and Intelligence, the Office of Intelligence Collection and Dissemination, and the Office of Security. The Special Assistant will also serve as Executive Secretary of the National Intelligence Authority, and in that capacity will have jurisdiction over the Interdepartmental Intelligence Coordinating Committees, the Interdepartmental Security Coordinating Committees, and the Special Estimates Staff. The attached chart outlines the departmental organization proposed for the offices under the Special Assistant.

The office of the Special Assistant for Research and Intelligence will be made up of the following units:

Immediate Office of the Special Assistant

Executive Office

Programming Staff

Special Estimates Staff

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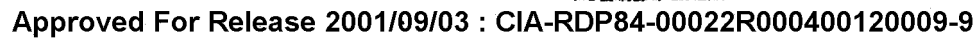
Secretariat of National Intelligence Authority (Department of State representatives on the Interdepartmental Coordinating Committees)

The immediate office of the Special Assistant, the Programming Staff, and the Executive Office account for 20 positions in the 1946 supplemental budget, and for 34 in the proposed 1947 budget. At the present time, 13 positions have been filled. The establishment of the SA-McC staff does not involve the transfer of any existing State Department or IRIS units.

The Special Estimates Staff and the Secretariat of the National Intelligence Authority are discussed separately below.

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2. Interdepartmental Organization

a. Special Estimates Staff

Proposed Symbol: SES

A Special Estimates Staff will be established in the office of the Special Assistant for Research and Intelligence, which will be responsible for preparing, with the assistance of the research and intelligence offices of the State Department and of other governmental departments and agencies, intelligence estimates of the capabilities and intentions of foreign countries and weekly summaries of significant events and trends, for the information and use of the President, the Secretary of State, and other top level officials and agencies of the Government.

The Special Estimates Staff accounted for 47 positions in the 1946 supplemental budget and in the budget submitted for 1947. At the present time none of those positions has been filled. No transfers of existing State Department or IRIS units are involved in the establishment of the Special Estimates Staff.

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b. Secretariat of the National Intelligence Authority

Proposed symbol: NIA

The Special Assistant for Research and Intelligence will serve as Executive Secretary of the National Intelligence Authority. His staff will include a Secretariat of the National Intelligence Authority, which will consist of his Deputy Secretaries for Intelligence and Security, together with the committee chairmen (and their staffs) furnished by the Department of State for the Inter-departmental Coordinating Committees and the Inter-departmental Security Coordinating Committees.

A total of 92 positions has been included for the Secretariat in the budget submitted for 1947. During 1946, it will be necessary to use positions budgeted for other parts of the intelligence offices to support the Secretariat. It is proposed to transfer the Chief of the Division of Geography and Cartography to the position of Chairman of the Geographic Intelligence Committee of the National Intelligence Authority. This involves a transfer of the Office of the Chief, GE (5 positions) to the Secretariat.

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B. Office of Research and Intelligence

Proposed Symbol: ORI

1. Office of the Director

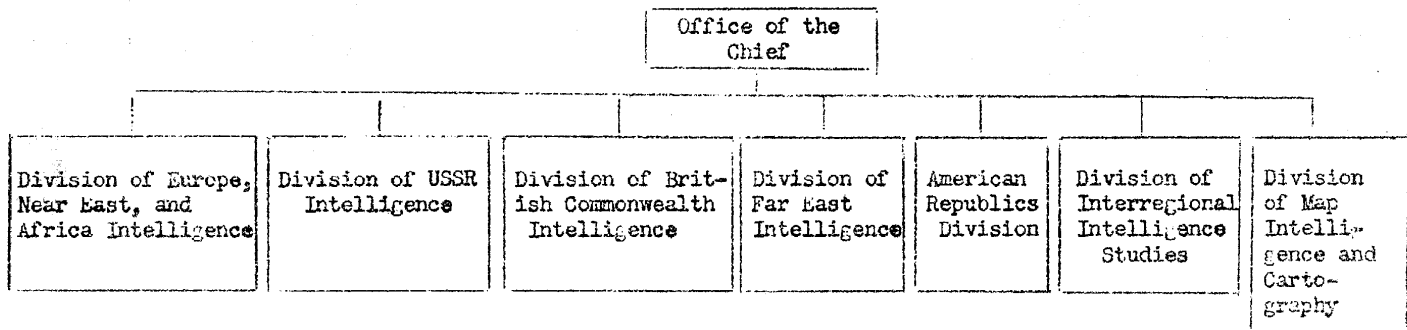
The Director of the Office of Research and Intelligence will be responsible, under the general direction of the Special Assistant for Research and Intelligence, for directing the work of the Divisions of the Office in providing evaluated positive information on foreign countries in aid of the formulation and implementation of foreign policy in the Department of State. The Office of the Director will include an Executive Office, which will provide the administrative services required by the Director and by the Office, and an Intelligence Coordination Staff, which will provide substantive control over the output of the Office.

The Office of the Director accounted for 35 positions in the 1946 supplemental budget, and for 41 positions in the budget submitted for 1947. It is proposed that the office be established by transferring to it the Office of the Director of the Research and Analysis Branch, IRIS, a total of 34 persons (11 professional and 23 clerical). No existing State Department units will be transferred to the Office of the Director.

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Organization Chart

Office of Research and Intelligence



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2. Functions of the Regional Divisions

Description of Functions. The function of the five regional divisions described below is the provision of evaluated positive information, in the form of factual data, syntheses, and generalizations, in aid of the formulation and implementation of foreign policy by the geographic, political, economic and informational offices of the Department.

In fulfilling this function the divisions will:

(1) Maintain close and systematic contact with policy and operating officers of the Department in order to be informed as to the Department's intelligence requirements.

(2) Plan and implement a program of research and analysis designed to meet these intelligence requirements through the preparation of reports, which will be described in greater detail below.

(3) Evaluate new information for the following purposes: as an integral part of the regular research process in order to improve the relevance, accuracy, and timeliness of the reporting services; and, to a lesser extent, for distribution of the information, as such, to operating offices.

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(4) Assist OCD in planning its program of information procurement and, working through or with OCD, obtain information from other federal agencies operating in cognate fields and from public and private institutions outside the federal government (including universities, libraries, research institutions).

(5) Provide representatives to act as observers, and where indicated as participants, on departmental and inter-departmental committees.

The output of these divisions will, in general, fall into the following three categories:

(1) Studies of basic situations and capabilities.

Studies of this sort are based on knowledge of the social, political, economic, and geographic characteristics of the countries concerned, and will provide the basic data necessary for the understanding and interpretation of events, attitudes, capabilities and probable intentions.

(2) Analyses of major political and economic issues.

These studies will deal with emergent or continuing political and economic issues in foreign countries which will influence United States world interests.

(3) Interpretations and evaluations of current events and developments. These studies will place events in their setting, analyze the factors which produce them, and evaluate their significance for further developments. It

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should be noted that this work as currently performed in IRIS is by no means a full duplication of roughly comparable work done in other parts of the Department. There are however some elements of overlap which will be dealt with at some future time. Presumably at that time the whole question of analysis of current developments, current reporting, abstracting current cables and despatches for department-wide circulation, will be discussed, and final responsibility fixed.

3. Division of Europe, Near East, and Africa Intelligence.

(This Division will be concerned with (1) all of continental Europe eastward to the Soviet frontier and the Straits, (2) all Near and Middle Eastern countries to the western frontier of India, and (3) all of Africa.)¹

(1) Proposed routing symbol: ENI.

(2) Organization Structure.

(a) Political Branch.

(1) Western European Section. France, Belgium, Luxembourg, Holland, Italy, Spain, Portugal, Denmark, Norway, Sweden, and Switzerland.²

(11) Central European Section. Germany, Austria, Czechoslovakia.

1. The separation of the Division into two divisions -- a European Division and a Near East-African Division -- is planned as soon as adequate staff is available.
2. The separation of this section into a Western and a Northern European section will take place when the necessary personnel arrangements can be made.

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(iii) Eastern European Section. Finland, Poland, Hungary, Yugoslavia, Rumania, Greece, Bulgaria, Albania.

(iv) Near East-African Section. Egypt, Palestine, Trans-Jordan, Iraq, Saudi Arabia, Yemen, Aden, Shaikhdoms of the Arabian Peninsula, Lebanon, Syria, Turkey, Iran, Afghanistan, and the continent of Africa.

(b) Economic Branch (area distribution same as in Political Branch).

(1) Western European Section.

(ii) Central European Section.

(iii) Eastern European Section.

(iv) Near East-African Section.

(3) Composition of the Division

It is proposed that the Division be established by transferring to it the Europe-Africa Division of IRIS (excluding 9 individuals to be transferred to the Division of Interregional Intelligence), which included, as of December 10, 1945, a staff of 95, of whom 76 were in professional grades and 19 in CAF grades. The 1946 supplemental budget provided for a total of 118 positions, and the budget submitted for 1947 provides for a total of 151 positions. It is not proposed to transfer any other existing State Department units.

An organization chart of the Division is attached.

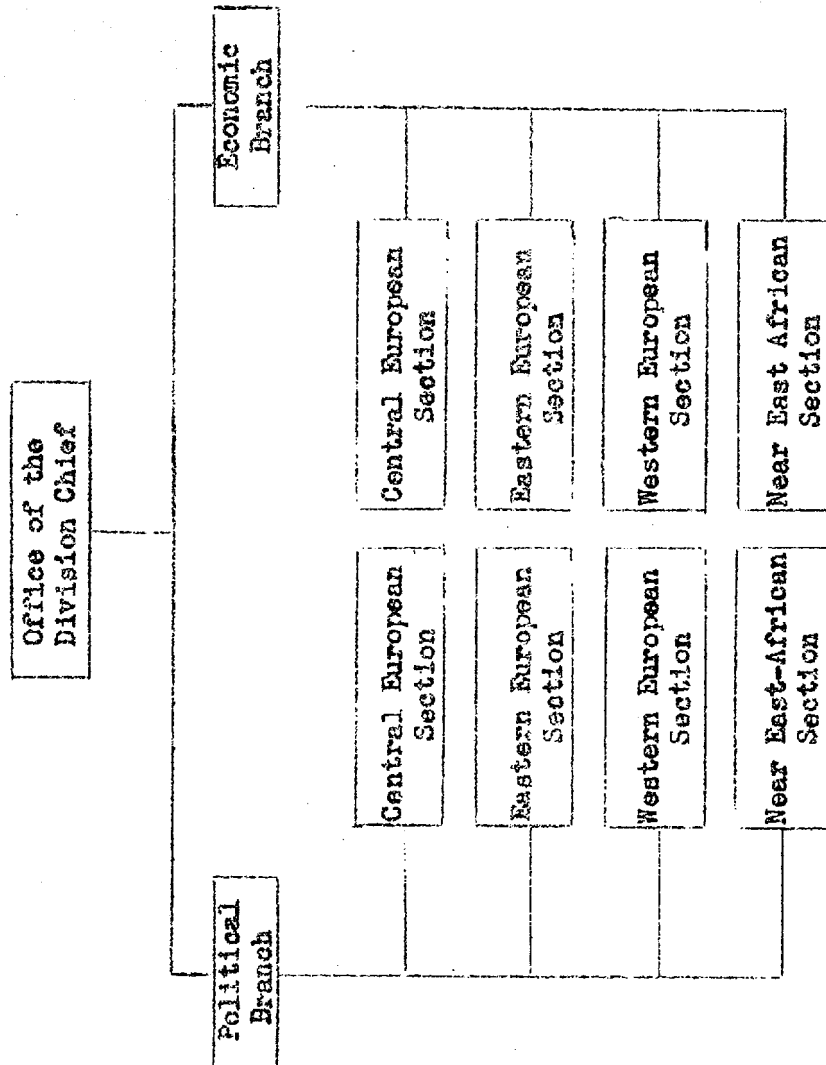
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Organization Chart

Division of Europe, Near East and Africa Intelligence



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4. The Division of USSR Intelligence

(1) Proposed Routing Symbol: USI.

(2) Organization Structure:

(a) Economic Branch.

(i) Transport Section.

(ii) Industry Section.

(iii) Agriculture Section.

(iv) Foreign Trade Section.

(v) Fiscal Problems Section.

(vi) Population and Manpower Section.

(b) Political Branch.

(i) Internal Political Section.

(ii) Foreign Political Section.

(3) Composition of the Division

It is proposed that the Division be established by transferring to it the USSR Division of IRIS which included, as of December 10, 1945 a staff of 55, of whom 45 were in professional grades and 10 in CAF grades. The 1946 supplemental budget provided for a total of 76 positions. The budget submitted for 1947 provides for a total of 81 positions. It is not proposed to transfer any other existing State Department units or personnel to the Division.

An organization chart of the Division is attached.

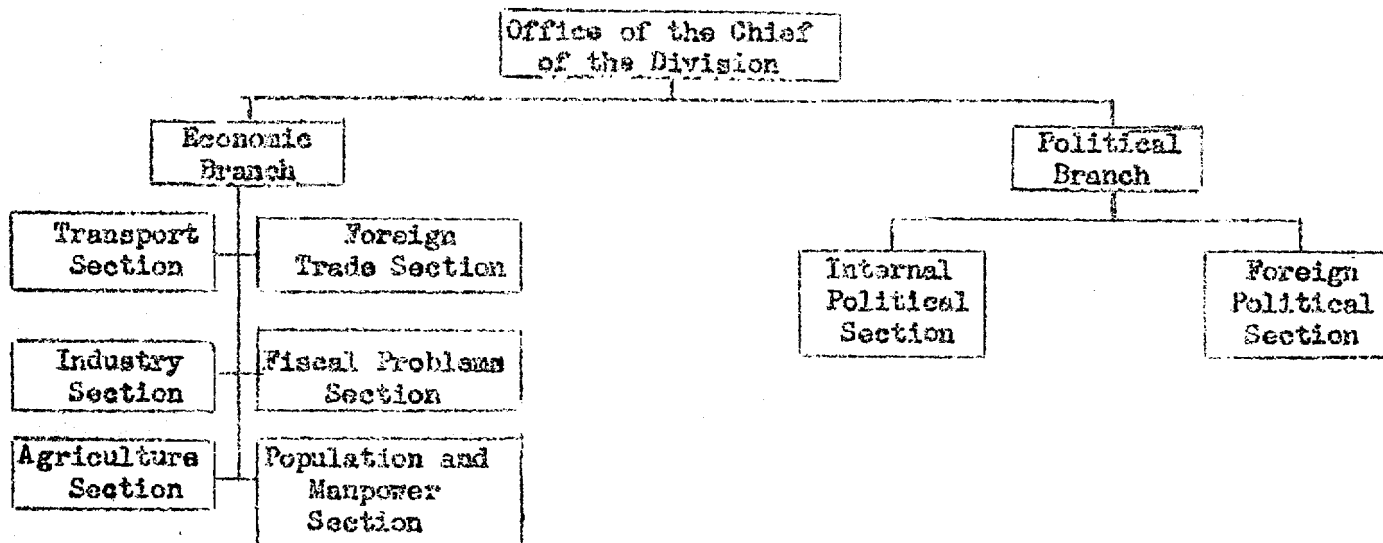
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Organization Chart

USSR Division



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5. The Division of British Commonwealth Intelligence.

(This Division will be concerned with the United Kingdom, its foreign relations, and British policy with reference to all parts of the Commonwealth).

(1) Proposed routing symbol: BCI.

(2) Organization structure

(a) British External Economic Problems Section
(Trade, Finance, Transport and Communications).

(b) British Internal Affairs Section.

(c) British Intra-Imperial Affairs Section.

(d) Anglo-European Relations Section.

(e) Anglo-American Relations Section (including the United States and Latin America).

(f) British Affairs in the Far East Sections.

(3) Composition of the Division

It is proposed that the Division be established by transferring to it the British Empire Unit of IRIS which included, as of December 10, 1945 a staff of 5 employees. The 1946 supplemental budget provided for a total of 17 positions. The budget submitted for 1947 provides for a total of 22 positions. It is not proposed to transfer any other existing State Department units or personnel to the Division.

An organization chart of the Division is attached.

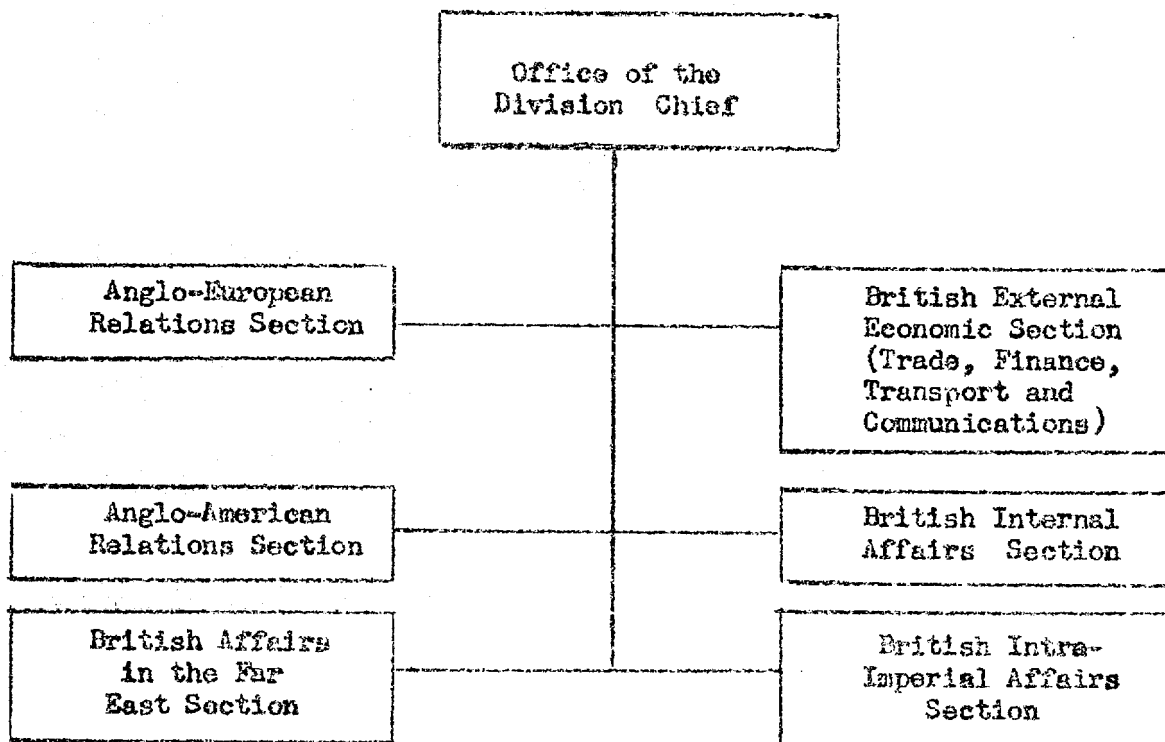
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Organization Chart

Division of British Commonwealth Intelligence



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6. The Division of Far East Intelligence. (This Division will be concerned with India, Burma, Ceylon, Siam, Indo-China, Straits Settlements, the Federated Malay States, Netherlands East Indies, British Borneo, the Philippine Islands, China, Korea, Japan, Australia, New Zealand, and all of the islands and territories in the general area not belonging to the United States or the USSR.)

(1) Proposed routing symbol: FEI.

(2) Organization structure.

(a) Japan Branch

(i) Japan Political Section.

(ii) Japan Economic Section.

(b) China Branch

(i) China Political Section.

(ii) China Economic Section.

(iii) Korea Section.

(c) Southern Asia Branch

(i) Pacific Islands Section. Netherlands East Indies, Sarawak, British North Borneo, the Philippine Islands, Portuguese Timor, Australia, New Zealand, former Japanese mandates, British, French and New Zealand island possessions.

(ii) Southeast Asia Section. Burma, Indochina

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Siam, Federated Malay States, Unfederated
Malay States, Straits Settlements.

(iii) India Section. India, Nepal, Bhutan, Ceylon,
Portuguese and French enclaves.

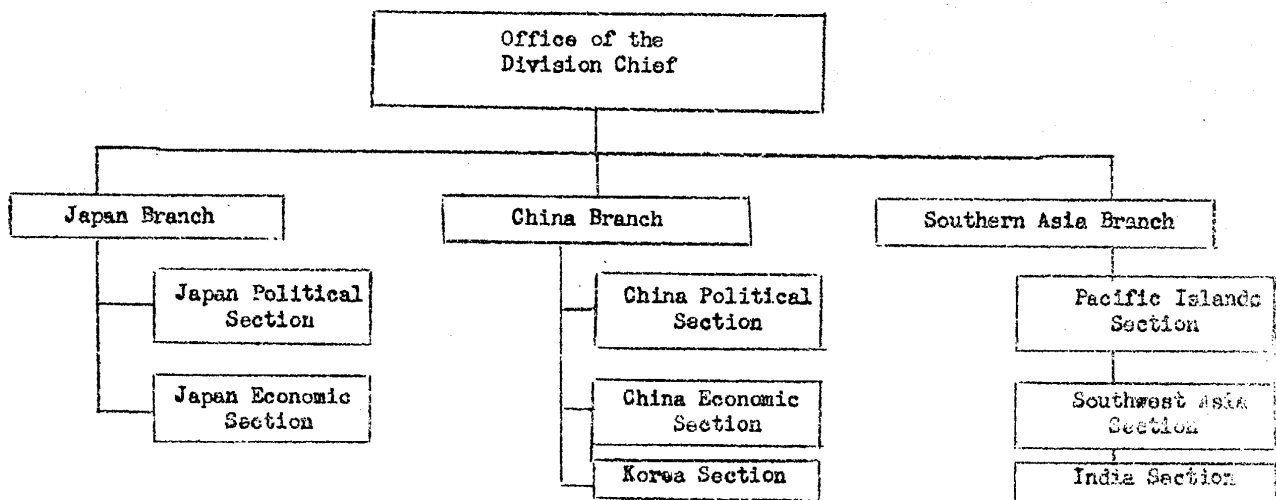
(3) Composition of the Division

It is proposed that the Division be established by transferring to it the Far East Division of IRIS which included, as of December 10, 1945, a staff of 120 employees, of whom 93 were in professional grades and 27 in CAF grades. The 1946 supplemental budget provided for a total of 117 positions. The budget submitted for 1947 provides for a total of 114 positions. It is not proposed to transfer any other existing State Department units or personnel to the Division.

An organization chart of the Division is attached.

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Organization Chart
Division of Far East Intelligence



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7. Division of American Republics Intelligence. (This Division covers all of Central and South America, and the islands of the Caribbean Sea, excluding the possessions of the United States.

(1) Proposed routing symbol: ARI.

(2) Organization structure. The Division will be composed of Sections as follows:

(a) Mexico Section.

(b) Caribbean and Central America Section.

(c) Brazil Section.

(d) River Plate Section - covering Argentina, Paraguay, and Uruguay.

(e) North and West Coast Section - covering Chile, Bolivia, Peru, Ecuador, Colombia, and Venezuela.

(f) Geographic-Economic Section - covering appropriate subjects for the most important regions of Latin America.

(3) Composition of the Division. It is proposed that the Division be established by transferring to it the IRIS Latin American Division which included, as of 10 December 1945 a staff of 39, of whom 31 were in professional grades and 8 in CAF grades. The 1946 Supplemental Budget provided for a total of 35 positions. The budget submitted for 1947 provides for a total of 56 positions.

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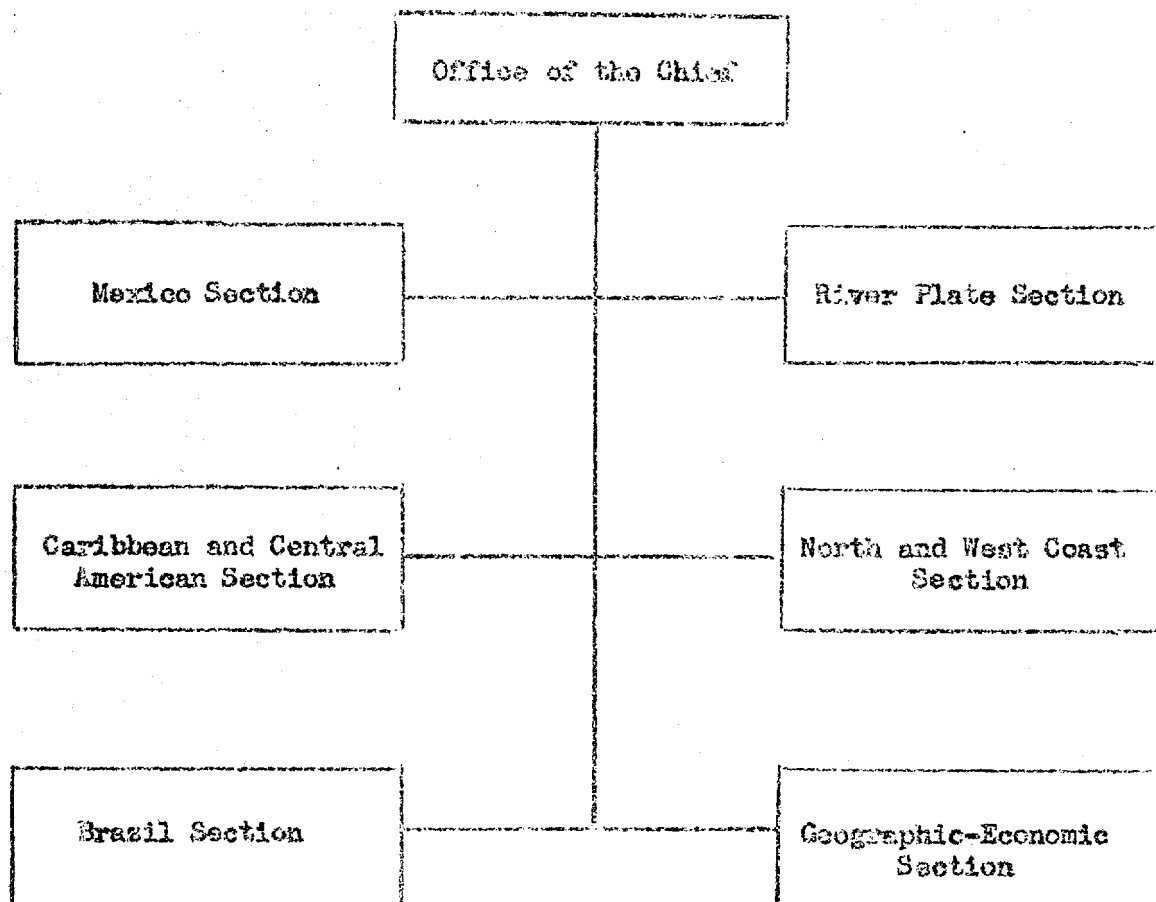
In each of those Budgets, allowance was made for the positions budgeted separately for the Analysis Section of the Division of American Republics Analysis and Liaison (RL), and those positions were deducted from the total believed to be needed to provide adequate coverage of the area. As pointed out above, the members of the Committee which prepared this memorandum, (with the exception of Mr. Allan) believe that the Analysis Section of RL (9 professional and 10 clerical) should be transferred to the proposed Division of American Republics Intelligence, since they are of the opinion that the combination, in one Division in the proposed Office of Research and Intelligence, of responsibility for all political, economic, and geographic intelligence concerning the American Republics will provide the best research service for all the geographic, political, economic, and informational Offices and Divisions of the Department. It has not been possible to reach agreement as to that transfer with ARA, which has participated with the other Geographical Offices in proposing an alternative plan, set forth in part IV below, providing for decentralizing intelligence research on political problems by establishing a research Division in each geographic Office.

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American Republics Division

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8. Division of Interregional Intelligence.

a. Proposed routing symbol: IRI.

b. Functions.

(1) Coordinating, and, where necessary, supplementing the data and analyses provided by the regional research Divisions of the Office and by the research and technical staffs of other Federal agencies in the preparation of studies which present detailed comparative analyses and interpretations of intelligence pertaining to problems which deal with comparable information from several or all regions of the world, required by the operating officials of the Department in assisting United States delegations to international conferences, in collaborating with other Federal agencies in the formulation of foreign policy, and in conducting negotiations with particular countries on matters of interregional and international significance.

(2) Initiating requests for directives concerning the procurement of intelligence from foreign as well as domestic sources.

(3) Assisting, when requested by the regional Divisions in ORI, in analyzing and reporting on inter-regional aspects of regional problems.

(4) The coordination of the research program of

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the Office of Research and Intelligence with those of other Government departments and agencies by assisting or serving on appropriate interdepartmental committees.

The Division will be primarily responsible for developing the program of research required to meet such needs of the following Offices and their Divisions as are interregional in character and do not fall within the province of a particular regional research Division:

- (a) Office of Special Political Affairs.
- (b) Office of Transport and Communications Policy.
- (c) Office of International Trade Policy.
- (d) Office of Financial and Development Policy.
- (e) Office of Economic Security Policy.

c. Organization structure. The Division will be composed of Sections which will be responsible for such subjects as:

- international organization, international security, and dependent areas;
- transportation and communications;
- trade and finance;
- industrial and economic development; cartels, patents, and technology;

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commodities;
petroleum; and
population and labor.

d. Composition. It is proposed that the Division be established by transferring to it the Research Branch of the Division of Geography and Cartography of the Office of Public Affairs which included, as of 10 December 1945, a staff of 35, of whom 25 were in professional grades and 10 in CAF grades and 9 individuals from the Europe-Africa Division of IRIS, of whom 6 were in professional grades and 3 in CAF grades. It is not proposed to transfer any other existing State Department units to the Division.

A total of 57 positions in the 1946 Departmental and IRIS Supplementary Budgets were provided for those units, and the budget submitted for 1947 provides for a total of 73 positions for the Division of Interregional Intelligence.

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9. Division of Map Intelligence and Cartography.

(1) Proposed routing symbol: MI.

(2) Organization Structure. The Division of Map Intelligence and Cartography is under the immediate direction of the Director of the Office of Research and Intelligence. The Division has three branches:

(1) Map Intelligence.

(2) Map Collection.

(3) Cartographic.

(3) Functions.

(1) The Map Intelligence Branch, in serving the Department and other Federal agencies is concerned with the collection, evaluation, analysis and interpretation of foreign map and other cartographic intelligence. Its functions include:

(a) The planning and initiation of foreign map procurement by instruction, purchase, or negotiation with foreign map agencies;

(b) The participation in the development of coordinated inter-agency and inter-governmental mapping and map collection programs and procedures;

(c) The preparation of map coverage and technical map intelligence reports based on continuing research;

(d) The expert screening and evaluation of incoming map intelligence;

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(e) The planning of adequate map intelligence facilities at international conferences;

(f) Expert assistance to the divisions and Offices of the Department in the selection and study of published maps required in the consideration of specific problems.

(2) The Map Library Branch serves the entire Department, as well as other Federal agencies and private institutions, by maintaining a comprehensive collection of maps, atlases, gazetteers and other cartographic reference materials needed for the consideration of international questions. Its functions include:

- (a) The routine procurement of published maps and atlases from domestic and foreign map agencies and publishing houses;
- (b) The cataloguing, indexing, filing and loaning of these materials;
- (c) The furnishing of reference services and advice in the selection of published maps and atlases for specific uses.

(3) The Cartography Branch will be concerned with:

- (a) The initiation of basic mapping programs and developing improvements in cartographic techniques;
- (b) The planning, compilation and layout of individual maps;
- (c) Construction of final drawings and is responsible for preparing specifications for map reproduction.

(4) Composition of the Division. It is proposed that the Division of Map Intelligence and Cartography of the

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Office of Research and Intelligence be established by transferring to it the Map Division of IRIS, and the Map Library and Cartographic Branch of the Department's Division of Geography and Cartography (GE) which included, as of 10 December 1945, a staff of 71 in the IRIS Map Division, of whom 36 were in the professional grades, 23 in the CAF grades, and 12 in the SP grades, and, in units to be transferred from GE, a total of 35 positions, 19 professional and 16 CAF grades. It is not proposed to transfer any other existing State Department units or personnel to the Division. The 1946 supplemental budget provides for a total of 80 positions in IRIS. The 1947 budget (which covers the entire operation -- as transferred from IRIS and GE) provides for 134 positions.

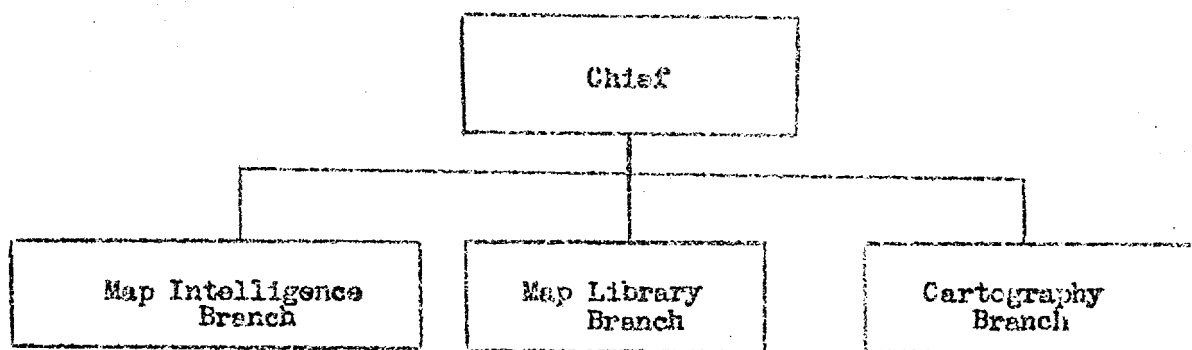
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Organization Chart

Division of Map Intelligence
and Cartography



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C. Office of Intelligence Collection and Dissemination

Proposed routing symbol: OOD

The Director of the Office of Intelligence Collection and Dissemination will be responsible, under the general direction of the Special Assistant to the Secretary for Research and Intelligence, for directing the work of the Divisions of the Office in the collection and dissemination of intelligence.

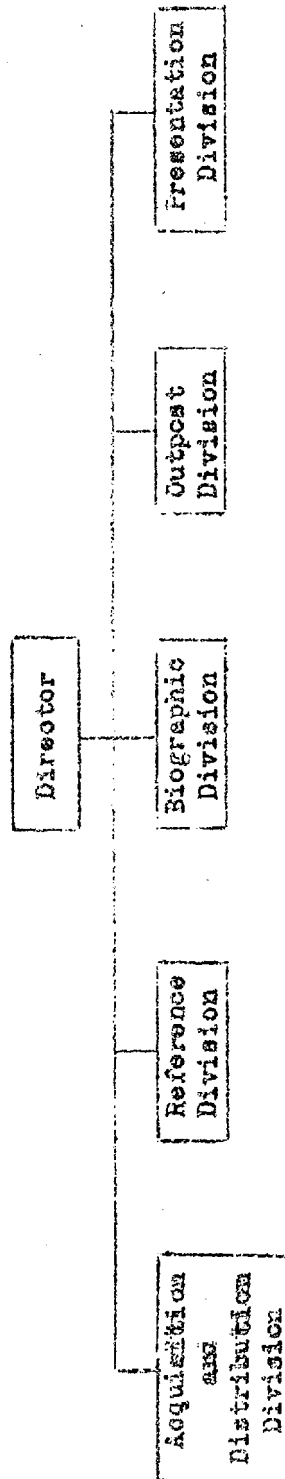
The Office of the Director accounted for 9 positions in the budget submitted for 1947, but was not included in the 1946 supplemental budget. It is proposed that, at the outset, the position of Director be filled by the Director of the Office of Research and Intelligence, and that the staff of the Director be provided by the transfer of 3 people, 1 professional and 2 clerical, from the Central Information Division of IRIS. It is not proposed to transfer any other existing State Department units to this Division.

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Organization Chart
Office of Intelligence Collection and Dissemination



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1. Division of Intelligence Acquisition and Distribution.

a. Proposed routing symbol: IAD

b. Organization structure. The Division of Intelligence Acquisition and Distribution will consist of the following organizational units:

(1) Office of the Division Chief.

(2) Procurement Section.

(3) Distribution Section.

c. Functions.

(1) Office of the Chief.

(a) Determination of policy for the procurement and distribution of intelligence.

(b) Maintenance of general intelligence directives to the field staff; and

(c) Coordination of the Department's intelligence acquisitions with the acquisition programs of other Government departments and agencies.

(2) Procurement Section.

(a) Development on a world-wide basis of new types of sources of intelligence procured by the Division;

(b) Continual review of available intelligence;

(c) Selection of intelligence for procurement and procuring that intelligence;

(d) Liaison relationships with other governmental

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agencies in conjunction with the Distribution Section for the purpose of procuring intelligence; and

(e) Continual consultation with the staff of the ORI in order that the intelligence acquisition programs will meet the needs of the Department.

(3) Distribution Section. The Distribution Section will be responsible for the handling of incoming intelligence materials. This includes:

(a) Distribution of all incoming intelligence materials, not previously distributed by DCR, to the offices of the Department;

(b) Distribution of incoming intelligence materials to other Government departments and agencies;

(c) Maintenance, in conjunction with the Procurement Section, of liaison with the users of intelligence materials in other governmental agencies;

(d) Determination of the format, number of copies, and type of reproduction to be used for research and intelligence reports of ORI, and expediting reproduction of these reports;

(e) Determination, working in conjunction with ORI, of the distribution of ORI reports to the offices of the Department and to other governmental agencies.

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d. Relationship between the Acquisition and Distribution Division and the Map Division and the Department Library.

The Division of Intelligence Acquisition and Distribution will maintain close liaison and working relationship with the Map Division in order that the procurement of cartographic intelligence will be integrated with the overall intelligence procurement program approved by the Director of the Office of Intelligence Collection and Dissemination. The Division will maintain close working relationship with the Department Library to assure that there is efficiency and no duplication of effort in the procurement of domestic and foreign publications.

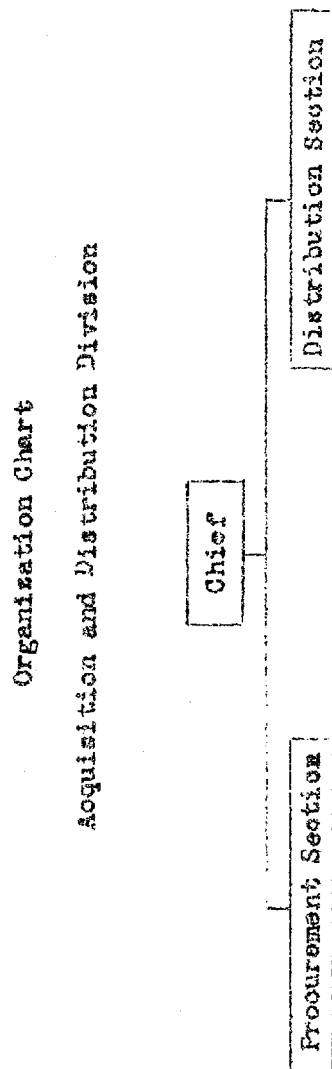
e. Composition of the Division. It is proposed that the Division be established by transferring to it the units engaged in the acquisition of foreign intelligence in the Central Information Division and in the Interdepartmental Committee Division of IRIS, and the Foreign Publications Unit of RP.

The authorized positions and personnel to be transferred are as follows:

| <u>Division</u> | <u>Unit</u> | <u>Positions</u> | |
|-----------------|--|----------------------|------------|
| | | <u>Professionals</u> | <u>CAF</u> |
| IRIS/CID | Receiving and Allocation Unit Distribution Unit | 1 | 9 |
| | | | 8 |
| | | <u>1</u> | <u>17</u> |
| IRIS/IDC | Office of the Chief Publications Section | | 3 |
| | | | 10 |
| | | | <u>13</u> |
| RP | Foreign Publications Unit | | 3 |
| | Total | <u>1</u> | <u>33</u> |

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2. Intelligence Reference Division.

a. Proposed Routing Symbol: REF

b. Organization Structure.

(1) The Reference Division will be supervised by a chief who will be responsible for the maintenance of the Department's central collection of intelligence.

(2) The Reference Division shall consist of the following organizational units:

(a) Office of the Division Chief

(b) Bibliography Section

(c) Circulation Section

c. Functions

(1) Office of the Chief. The office of the Chief of the Reference Division will be responsible for the following functions:

(a) Maintenance of the Department's central collection of intelligence.

(b) Reviewing and coordinating requests for bibliographies of intelligence materials and intelligence sources; and

(c) Continually informing the Acquisition Division of demands and needs for intelligence materials.

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(2) Bibliography Section.

(a) Cataloging, indexing, and classifying by subject all intelligence materials maintained by the Division;

(b) Arranging and maintaining liaison with the users of intelligence materials within the Department;

(c) Preparation of annotated bibliographies on current and long range intelligence questions and problems; and

(d) Informing the users of intelligence materials of the receipt of new intelligence.

(3) Circulation Section.

(a) Maintenance and custody of all intelligence materials;

(b) Servicing requests for intelligence materials;

(c) Provision of channels for borrowing intelligence materials from other governmental and non-governmental organizations; and

(d) Maintenance of the security of the intelligence collection.

d. Relationship between the Reference Division and the Map Division, the Biographic Division, and the Department Library. The Reference Division will maintain close liaison and working relationship with the Map Division, the

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Biographic Division, and the Department Library, in order that the servicing of cartographic and biographic intelligence and publications will be integrated with the overall servicing approved by the Director of the Office of Intelligence Collection and Dissemination.

e. Composition of the Division. It is proposed that the Division be established by transferring to it the units engaged in the maintenance and servicing of intelligence in the Central Information Division and the Interdepartmental Committee Division of IRIS, and the Procurement and Distribution Unit of GE.

The authorized positions and personnel to be transferred are as follows:

| <u>Division</u> | <u>Unit</u> | <u>Positions</u> | |
|-----------------|-----------------------------------|---------------------|------------|
| | | <u>Professional</u> | <u>CAF</u> |
| IRIS/CID | Office of the Division Chief | 2 | 8 |
| | Office of the Reference Chief | | 1 |
| | Analysis Unit | 1 | 13 |
| | Control Unit | | 11 |
| | Library Unit | 5 | 4 |
| | | <u>8</u> | <u>37</u> |
| IRIS/IDC GE | Analysis and Abstract Section | 12 | 4 |
| | Procurement and Distribution Unit | 5 | 3 |
| | | <u>17</u> | <u>7</u> |
| | Total | 25 | 44 |

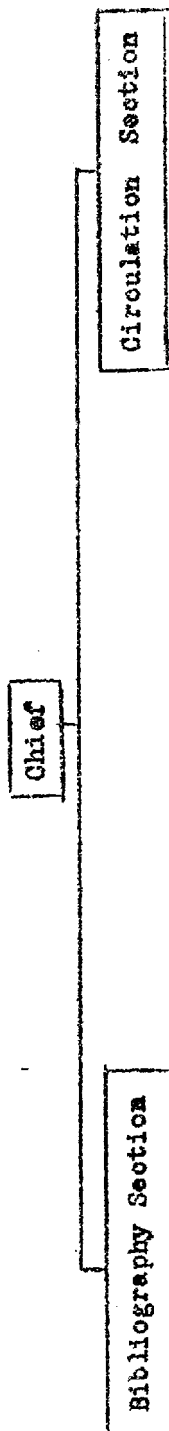
It is not proposed to transfer any other existing State Department units to the Division.

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Organization Chart
Intelligence Reference Division



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3. Division of Biographic Intelligence.

a. Proposed Routing Symbol: BI

b. Organization Structure:

- (i) Reference Section.
- (ii) Service Section.
- (iii) American Republics Section.
- (iv) Far East Section.
- (v) Europe Section.
- (vi) British Commonwealth, Near East, and Africa Section.

The geographical responsibilities of these sections correspond almost exactly to those of the political offices of the Department, except that for administrative reasons British Commonwealth has been combined with the Near East and Africa. The organization is in the main parallel to that of the ORI, with whose divisions and sections the closest liaison is mandatory.

c. Functions. Within the terms of the positive intelligence function it will be the responsibility of this Division to:

- (1) Organize and evaluate systematically factual information and opinions concerning persons in foreign countries who are of intrinsic importance or whose activities or views may be considered significant for the United States;

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(2) Prepare, in cooperation with other interested divisions of the Department, especially with the appropriate intelligence divisions, reports covering the background, career, role, influence, connections, and policies of such persons, either in response to specific requests or in anticipation of a certain future demand;

(3) Participate with other divisions of the Department in the formulation of policies and the planning of programs for the collection and distribution of biographic intelligence.

While the subject matter with which the Division of Biographic Intelligence is concerned is an integral part of political, economic, and social intelligence, experience has demonstrated the necessity of centralizing responsibility for this, the biographical, function in a separate unit.

The following are the major categories of persons on whom information is sought:

- (1) Officials of national governments.
- (2) Members of national legislative or governing bodies, elected or appointed.
- (3) Higher diplomatic, consular, and colonial service officials.
- (4) Members of international commissions, conference delegates, delegates to international organizations, and members of special missions.

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(5) Persons prominent in political parties and movements, including official and unofficial opposition groups.

(6) Persons prominent in national socio-economic groups such as labor organizations, manufacturers' organizations, etc.

(7) Figures of national and international importance in such fields as business, finance, commerce, industry, education, religion, law, medicine, and science.

(8) Leading figures in newspaper, radio, and motion picture activities, and propaganda agents of foreign countries stationed in other foreign countries.

(9) Top ranking military and naval officers of national political significance, including major military representatives to other countries.

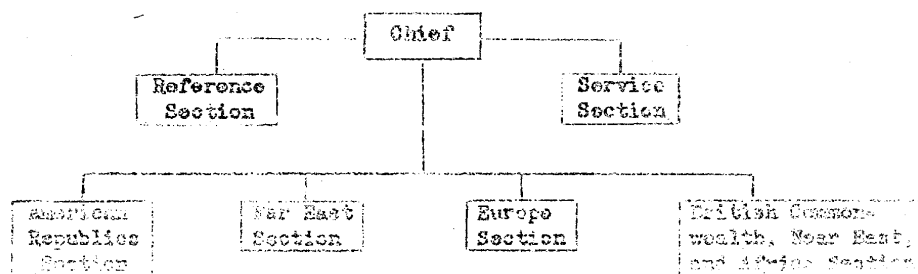
(10) Governors, mayors, and other non-national officials of sufficient importance to influence and participate in matters of national interest.

Specifically excluded are: espionage and counter-espionage agents; American citizens; and persons of interest only to specialized bureaus such as visa applicants, army and navy personnel not politically important, criminals, persons in ordinary business and commercial transactions.

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Organisation Chart
Division of Biographic Intelligence



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d. Composition of the Division. It is proposed that the Division be established by transferring to it the Personal Intelligence Section of the Division of Economic Security Controls (ES) in the Office of Economic Security Policy, contributing 20 professional and 13 CAF staff members, and the Biographical Records Section of the Central Information Division of IRIS, contributing 28 professional and 10 CAF staff members, a total of 71. The 1947 budget provides for a total of 74 positions.

4. Presentation Division.

a. Proposed Routing Symbol: PN

b. Organization Structure. The Presentation Division will consist of the following organizational units:

(i) Office of the Division Chief.

(ii) Editorial Section.

(iii) Graphics Section.

(iv) Operations Section.

c. General Functions.

(1) Summarizing in graphics or in animations conclusions of the staff of the ORI which are susceptible to such presentation. Such summaries may be complete in themselves and so distributed.

(2) Summarizing in graphic form data which is part of ORI studies, reports, etc., for inclusion as illustrative material in such documents.

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(3) Presenting in graphic form or in animations administrative situations and solutions to administrative problems especially for the Assistant Secretary of State for Administration.

(4) Performing specialized presentation services for international conferences, the U. S. delegation of the UNO, and diplomatic missions.

d. Functions of the Editorial Section.

(1) Determines data requirements for presentation and, where necessary, secures additional data by interview or recourse to documentary sources. Evaluates data submitted from point of view of suitability for presentation.

(2) Assumes responsibility for the editorial accuracy and correctness for the verbal portions, written or spoken, of all presentation projects.

e. Functions of the Graphics Section.

(1) Provides the supervision for all visual projects and reviews work of the Section to insure conformity with established standards.

(2) Establishes work priorities.

(3) Designs all visual aspects of projects, including charts, models, posters, illustrations.

(4) Executes all two-dimensional visuals, including charts, freehand illustrations, mechanical drawings.

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f. Functions of the Operations Section.

(1) Supervises personnel engaged in exhibition, production of motion pictures, still photography, and shop work.

(2) Establishes work priorities and establishes standards.

(3) Produces live and stop motion photography, provides for narration, and does the film editing.

(4) Performs camera and laboratory work connected with production of graphics, and the copying of finished presentations.

(5) Constructs three dimensional visuals, including exhibits, models, devices, stage sets, and display devices, and develops visual presentation services.

g. Composition of the Division. It is proposed that the Division be established by transferring to it the Presentation Division of IRIS, a total of 74 positions. The 1946 supplemental budget provided for a total of 74, and the budget submitted for 1947 provides for a total of 92 positions. It is not proposed to transfer other existing State Department units.

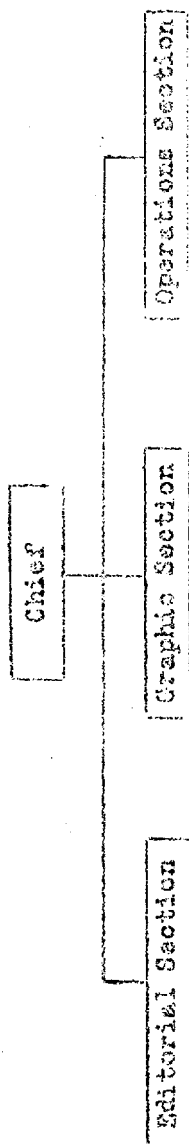
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Organisation Chart

Presentation Division



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5. Outpost Division.

a. Proposed Routing Symbol: OD

b. Functions of the Division:

(1) To prepare research studies, supplement research in the home office, and assemble data in foreign countries according to assignments determined by the Director of OCD in cooperation with appropriate officials in ORI.

(2) To arrange for the rotation of its research staff with members of other intelligence divisions or of other Offices in the Department.

(3) To cooperate closely with, and to supplement the research facilities of, the Foreign Service in order to achieve the best utilization of both the Foreign Service and the Outpost Division's research staff in connection with the procurement of intelligence material and studies.

(4) To see that the administration of all matters pertaining to the assignment, transfer, travel, equipment, pay, promotion, and training of members of the research staff and of other personnel assigned to it for administrative purposes is satisfactorily handled, that the purpose of a mission is not in conflict with any other, current or projected, and that channels of communication permit the furnishing of clear instructions and the submission of complete reports.

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This special mobile research staff is necessary to insure that the intelligence offices will be able properly to discharge their responsibilities, and will be used in the following way:

(a) To carry out research and intelligence studies, or parts of studies, which can only or can most satisfactorily be carried out on the spot, when regular Foreign Service personnel are not available for the purpose.

(b) To assist individual foreign missions in areas of special importance or tension by the preparation of special local studies, giving professional guidance to the mission's information collection programs and bringing specialized knowledge and background to the assistance of the mission as required.

(c) To perform specific map intelligence assignments, such as map procurement missions and investigations of mapping programs and map publishing establishments.

c. Allocation of Personnel. While there is expected to be considerable flexibility of assignment of the overseas personnel, the 98 persons now on the staff will be located in 31 countries, as follows:

(1) Abroad.

| | |
|---------|---|
| France | 6 |
| Belgium | 1 |
| Holland | 1 |

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| | |
|-------------------------|----|
| Spain | 1 |
| Portugal | 1 |
| Great Britain | 6 |
| Italy | 4 |
| Rumania | 2 |
| Bulgaria | 1 |
| Greece | 1 |
| Yugoslavia | 1 |
| Denmark | 1 |
| Sweden | 1 |
| Germany | 8 |
| Austria | 4 |
| Switzerland | 1 |
| Egypt | 3 |
| Turkey | 1 |
| Syria | 1 |
| South Africa | 1 |
| USSR | 8 |
| Japan | 2 |
| China | 18 |
| India-Burma | 9 |
| Siam | 1 |
| Netherlands East Indies | 1 |
| Malaya | 4 |

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| | |
|------------|---|
| Indo-China | 1 |
| Australia | 1 |
| Argentina | 4 |
| Brazil | 3 |

(2) Washington. An administrative officer and three other employees located in Washington will be responsible for all administrative matters connected with the movement and utilization of the overseas staff. The policy decisions as to assignment will be made by the Director of OCD in collaboration with the Director of ORI or the Chief of the appropriate regional division in ORI.

d. Composition of the Division. It is proposed that the Division be established by transferring to it 98 IRIS outpost personnel (78 professional and 20 clerical) together with 4 administrative employees in Washington. The outpost personnel are departmental employees with headquarters in Washington but are sent to the field on specific assignments of limited periods, during which time they are attached to a foreign mission.

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IV. Alternative Proposal Submitted on Behalf of the Geographical Offices.

The Geographical Offices feel an urgent need for better research and intelligence work in the Department. They welcome the opportunity now afforded for the realization of this much needed improvement.

The Geographical Offices are of the view, however, that research activities in the Department of State, except for a relatively small general research group, must be tied organizationally with operations in order to be of real value. Our experience has been, both in connection with the work of the Research and Analysis Branch of OSS and the Territorial Studies Division of the State Department, that the great amount of outstanding talent which was amassed in those groups for research and intelligence work was by no means adequately utilized and was even to a considerable extent wasted. Both of these groups were organized during wartime, when any amount of effort and experience was considered justified as long as one report out of fifty could be translated into action. Continued waste of talent on the scale established during the war cannot be justified, particularly when fuller utilization is entirely feasible. The work of nearly one thousand persons now proposed for research and intelligence work of the Department can be made useful, and

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barren efforts avoided, if a good part of the personnel is integrated closely with the operating offices of the Department.

Moreover, if the research personnel is retained in a central organization, a difficulty more serious than wasted talent is likely to result. To retain able research men, they must be given a voice in recommending policy. Those now being brought into the Department should be given such a voice. But the policy recommendations of a research unit which is not organizationally integrated with operations are very likely to be theoretical judgments with little basis in reality. Policy, to be sound, must be based on the closest contact between day-to-day operations and good basic research.

It will hardly be argued that policy recommendations from two points of view, operations and research, would be useful to the executive offices of the Department in making their policy decisions. Not only do the executive offices have no time to devote to selection, but more important, recommendations based either on operations or research exclusively are bad, and two bad policy recommendations are not useful material from which to make a good selection. What is needed is a linking of operations and research in the closest feasible manner. We are convinced,

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through experience and judgment, that this can never be done as long as the two branches are organizationally separate.

The Geographical Offices propose that research and intelligence in the Department be organized as follows:

1. The Offices of Intelligence should include:
 - a. Office of Security
 - b. Office of Intelligence Collection and Dissemination
 - c. Office of Research Coordination
2. Each geographic Office should maintain a Division of Research organized with geographical sections corresponding to the other Divisions of the Office.
3. Functions of the Office of Research Coordination would be:
 - a. To establish and maintain standards of research and analysis throughout the Department.
 - b. To formulate, in consultation with geographical offices, a Departmental program for basic research, and to coordinate and stimulate its execution.
 - c. To organize and supervise cooperative projects in research cutting across the lines of the geographical offices.

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- d. To maintain a central clearing house of information regarding research studies prepared or planned anywhere in the Department.
- e. To maintain liaison with other agencies of the Government, and with private institutions, for the purpose of utilizing all possible research resources to meet the Department's needs.
- f. To conduct specialized research on economic or other technical subjects.

4. Functions of geographical research divisions in Geographical Offices.

- a. To act generally as research and analysis body for geographical division.
- b. To prepare any necessary current situation reports on political conditions.
- c. To prepare and maintain basic information on current basis regarding countries in respective areas.
- d. To study and report on specific problems as requested by geographical divisions, or on own initiative with concurrence of geographical divisions.

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